



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

Ian C.W. Russell FCSI
President & Chief Executive Officer

June 2, 2011

The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance
Department of Finance Canada
31st Floor, East Tower
140 O'Connor Street
Ottawa, Ontario K1A 0G5

Dear Minister:

Re: Meeting Government Goals Spending Less on Paperwork Leaves More for Expansion

On behalf of the Investment Industry Association of Canada (IIAC), may I extend congratulations on your re-election and re-appointment as Minister of Finance and Minister Responsible for the Greater Toronto Area. In your previous tenure as Minister of Finance for Canada, you have made a significant contribution to comparatively strong economic performance in recent years, effectively managed the financial crisis and demonstrated your commitment to sound public finances. We look forward to further success in your continued efforts to build on the tax, fiscal, entrepreneurial, knowledge and infrastructure advantages that you initiated in 2006, as well as to working with you on new government priorities, including eliminating the deficit by 2014-2015.

As you know, you have our full support with respect to a national securities regulator and the announced intention to negotiate a double taxation agreement with Hong Kong. We are also dealing with your staff on our February 16, 2011 request to restore non-mark-to-market treatment of broker warrants, providing effective stimulus to small businesses capital-raising in public and private capital markets. As well, we are keenly interested in and have submitted recommendations regarding Pooled Registered Pension Plans and retirement savings generally. The latter include proposing tax changes that provide RRSP investors and employers with benefits equivalent to those of defined benefit pension holders and sponsors, as well as updated RRIF rules to provide Canadians with more flexibility to manage their finances during their post-retirement years.

The Canadian Securities Transition Office (CSTO) continues to work with its Advisory Committee on building a regulatory framework for the Canadian Securities Act and infrastructure for a single regulator. As this initiative moves forward, hopefully with a positive outcome from the Supreme Court reference, the Association, with the Canadian securities industry, will provide advice and counsel, and continue to speak out publicly in support of a single securities regulator for Canadian capital markets.

Minister Flaherty
Re: Red Tape Reduction and Other Matters
June 2, 2011

We look forward to working with as you look to finding ways to manage government spending. We believe that the work of the Federal Red Tape Reduction Commission offers opportunities in this regard for the government and taxpayers. Three-quarters of our member firms are small businesses by Statistics Canada's definition. Modernizing administrative provisions as set out in our [attached red tape submission](#) (a copy of which has been provided to the Honourable Gail Shea, Minister of National Revenue, as well) will lead to more manageable and cost-effective operations, benefitting taxpayers, tax-reporting intermediaries, the CRA and other parts of government alike.

We look forward to continuing to work with you and your staff. Please do not hesitate to contact us for any information you may need.

Yours sincerely,

[Original signed by Ian C.W. Russell]